

MARKET REGULATION ADVISORY NOTICE

Exchange	CME, CBOT, NYMEX & COMEX
Subject	Accurate Submission of Customer Type Indicator (CTI) Codes
Rule References	Rule 536.D.
Advisory Date	December 12, 2016
Advisory Number	CME Group RA1616-5
Effective Date	January 3, 2017

This Advisory Notice supersedes CME Group Market Regulation Advisory Notice RA1401-5 from April 2, 2014. It is being issued based on changes to NYMEX and COMEX Rule 536.D. (“Customer Type Indicator (CTI) Codes”) that become effective on January 3, 2017, in connection with the December 30, 2016, termination of open outcry trading of NYMEX and COMEX products and the closure of the NYMEX and COMEX trading floor.

Carrying firms must ensure that all give-up trades accepted by the firm contain the correct CTI code by the end of the trading day. In circumstances where an executing firm knows or is apprised of account ownership at order receipt time, the executing firm is also expected to submit the correct CTI code on the original execution record. In a give-up scenario wherein the executing firm does not know the account ownership of a trade intended to be given up to another firm, the executing firm should submit a CTI code 4 on the execution record. In this circumstance, the carrying firm must ensure that the correct CTI code appears on the trade by the end of the trading day.

For give-up trades where the execution information is submitted to the Exchange by a party other than the executing firm, such party is expected to submit the correct CTI code on the original execution record where such party knows or is apprised of account ownership at the time the trade is being submitted. If the party does not know the account ownership of a trade intended to be given up, then the party should submit a CTI code 4 on the execution record. In this circumstance, the carrying firm must ensure that the correct CTI code appears on the trade by the end of the trading day.

Firm Regulatory Portal

Clearing member firms are able to access CTI Code Reports within the Firm Regulatory Portal. Clearing member firms have the ability to generate daily and monthly summary reports, and account level detailed reports, regarding the submission of inaccurate CTI codes for pit, electronic, ex-pit and “give-in received” transactions submitted by that clearing firm.

The Firm Regulatory Portal can be accessed using a CME Group Login. To register for a Login, please visit <https://login.cmegroup.com/sso/register/>. For further instruction please contact CME Group Login Support at EASE.AtYourService@cmegroup.com or 312.456.1560.

To request Firm Regulatory Portal access, please send an email with your CME Group Login ID to MarketRegFRP@cmegroup.com.

Detailed instructions concerning navigating and generating CTI Code reports are included in a manual that can be accessed under the ‘Help’ menu once logged in to the Firm Regulatory Portal.

Questions regarding this Advisory Notice may be directed to the following individuals in CME Group Market Regulation:

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For media inquiries concerning this Advisory Notice, please contact CME Group Corporate Communications at 312.930.3434 or news@cmegroup.com.

CME Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the trading floor, 2) executed on the Globex platform or 3) privately negotiated as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 on the record of the transaction submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading, Open Outcry and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading, Open Outcry and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm, including Rule 106.H., I., N., R. and S. firms.

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Outcry and Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading, Open Outcry and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.

CBOT Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the trading floor, 2) executed on the Globex platform or 3) privately negotiated as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 on the record of the transaction submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading, Open Outcry and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading, Open Outcry and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm, including Rule 106.H., I., J., R. and S. firms.

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Open Outcry and Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading, Open Outcry and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.

NYMEX and COMEX Rule 536.D. Customer Type Indicator (CTI) Codes

Each clearing member must identify each transaction 1) executed on the Globex platform or 2) privately negotiated

as a block trade pursuant to Rule 526 or an EFRP pursuant to Rule 538 on the record of the transaction submitted to the Exchange with the correct customer type indicator (CTI) code. The CTI codes are as follows:

CTI 1: Electronic Trading and Privately Negotiated – Applies to transactions initiated and executed by an individual member for his own account, for an account he controls, or for an account in which he has an ownership or financial interest. However, transactions initiated and executed by a member for the proprietary account of a member firm must be designated as CTI 2 transactions.

CTI 2: Electronic Trading and Privately Negotiated – Applies to orders entered or trades executed for the proprietary accounts of a member firm.

CTI 3: Electronic Trading – Applies to orders entered by a member or a nonmember terminal operator for the account of another individual member or an account controlled by such other individual member.

CTI 3: Privately Negotiated – Applies to orders that a member executes on behalf of another individual member, or for an account such other member controls or in which such other member has an ownership or financial interest.

CTI 4: Electronic Trading and Privately Negotiated – Applies to all orders and transactions not included in CTI categories 1, 2 or 3. These typically are orders entered by or on behalf of nonmember entities.